

# Trustee toolkit downloadable



## How a DC scheme works (2014)

### Check your scheme

Each module features a section called 'Check your scheme'. This aims to embed the learning you have completed throughout the module by asking you questions about your own scheme or to check your scheme documents.

It is essential that you complete each 'Check your scheme' section relevant to your scheme type and size, so we have created this worksheet to help you do this offline.

Once you have completed the learning, work through the questions and learning points in this worksheet, noting your findings, to help you transfer the theoretical learning into the practical application of your own scheme.

If you have already completed the toolkit, the worksheet can serve as a useful refresher. Work through each section to identify any areas you should brush up on by redoing the module or reviewing your own scheme documents.

This worksheet applies to:

- DC schemes
- DB schemes with AVC
- hybrid schemes.

The Pensions  
Regulator





<b>Contributions</b>	For your notes
What is the basis on which contributions to your DC arrangement are made?	
What assurances do the trustees have that contributions are accurately assessed?	
<b>Transaction processing</b>	
How often is the payment schedule monitored?	
Have you ever found any mistakes on the payment schedule?	<input type="radio"/> Yes <input type="radio"/> No
How do you monitor other scheme transactions?	
Have you ever discovered late or inaccurate transactions?	<input type="radio"/> Yes <input type="radio"/> No

<b>Transaction processing</b> continued	For your notes
If so, what was the impact to members? How was this rectified? What internal controls did you put in place to minimise the risk of these types of errors happening again?	
<b>Value for members</b>	
Have you discussed value for members at a trustee meeting?	<input type="radio"/> Yes <input type="radio"/> No
Have you carried out a value for members assessment of your scheme?	<input type="radio"/> Yes <input type="radio"/> No
If so, what was the outcome? Did you take any action as a result to improve the benefits of membership or reduce the costs of membership?	
If you haven't assessed value for members yet, when will you be looking at it?	

<b>Charges</b>	<b>For your notes</b>
Are you fully aware of all the charges levied on your scheme and who pays them?	<input type="radio"/> Yes <input type="radio"/> No
Do you know what the impact of the charges is on your members' benefits?	<input type="radio"/> Yes <input type="radio"/> No
How can you be sure that members understand about the impact of charges?	
Have you considered whether the statutory restrictions on charges apply to your scheme and what steps have been taken to make sure that your scheme is compliant?	
<b>Decisions at pension age</b>	
What options are available to your members at pension age?	
What steps have you taken to ensure that your members fully understand their options at pension age?	

<b>Decisions at pension age</b> continued	For your notes
Take a look at your pension age or retirement process and your communications to members as they approach pension age.	
How soon before a member reaches pension age does your 'wake-up' pack get sent?	
What is included in the 'wake-up' pack?	
How does your scheme tell members about the Government's 'Pension Wise' guidance service?	
How do you think your process and communications can be improved to help members make informed decisions at pension age?	

<b>Member communications</b>	
When did you last review your scheme booklet?	
What arrangements have you considered to enable you to update the scheme booklet easily in the future?	
What information must be included in the trustees' annual statement regarding governance which must be signed by the chair of trustees on behalf of all scheme trustees?	
Are there other areas that the scheme booklet could cover which could help members?	
What other mechanisms for communicating with members do you use? Are there any others you should be considering?	

<b>Member communications</b> continued	For your notes
<p>How accurate, clear, relevant and in plain English are the communications provided to members in your opinion? Mark their position on the scales.</p>	<p><b>Accurate</b></p>  <p>Poor Fair Good Very good</p> <p><b>Clear</b></p>  <p>Poor Fair Good Very good</p> <p><b>In plain English</b></p>  <p>Poor Fair Good Very good</p> <p><b>Relevant</b></p>  <p>Poor Fair Good Very good</p>

<b>Managing advisers and service providers</b>	For your notes
What risks have the trustees identified relating to advisers and service providers?	
What internal controls have you put in place to minimise risk in these areas?	
Have you seen the business continuity/ disaster recovery plans for your advisers and service providers?	<input type="radio"/> Yes <input type="radio"/> No
How often do the trustees review the contracts and service level agreements of your advisers and service providers to make sure the contract covers what they are doing or meeting the agreed level of service?	
Have the trustees decided to terminate the contract of an adviser or service provider?	<input type="radio"/> Yes <input type="radio"/> No
Why was that? How easy/difficult was it to transfer the work to another provider?	